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A LIMITED LIABILITY PARTNERSHIP

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AFFILIATE OFFICES BANGKOK, THAILAND JAKARTA, INDONESIA MUMBAL, INDIA TOKYO, JAPAN

September 4, 2002

#### BY HAND DELIVERY

Federal Communications Commission Common Carrier Network Services P.O. Box 358145 Pittsburgh, Pennsylvania 15251-5145

Re:

In the Matter of Section 63.03 Application of GE Business Productivity Solutions, Inc., Transferee, and Advanced TelCom, Inc. and Shared Communications Services, Inc., Transferors, For Authority for Domestic Transfer of Control Through the Sale of Assets, Including Customers, of Advanced TelCom, Inc. and Shared Communications Services, Inc. to GE Business Productivity Solutions, Inc.

Dear Sir or Madam:

On behalf of GE Business Productivity Solutions, Inc., Advanced TelCom, Inc. and Shared Communications Services, Inc., attached for filing please find an original and five (5) copies of the above-referenced Application. Attached please also find a check in the amount of \$815.00 to cover the requisite fee for this Application and a duplicate of this filing. Please date-stamp the duplicate upon receipt and return it to the courier in the envelope provided.

Please feel free to contact me at (202) 955-9667 if you have any questions regarding this

filing.

Attachments

cc: Qualex International

Meredith Gifford, GE Business Productivity Solutions, Inc.

Richard Levin, Counsel to Advanced TelCom, Inc. and Shared Communications Services, Inc.

DC01/FREEB/191953.1

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# Before the FEDERAL COMMUNICATIONS COMMISSION Washington, D.C. 20554

In the Matter of	)
Section 63.03 Application of	)
_	)
GE Business Productivity Solutions, Inc., Transferee,	)
<b>-</b>	)
And	)
ADVANCED TELCOM, INC. AND	, \
-	′
SHARED COMMUNICATIONS SERVICES, INC.	•
Transferors,	)
	)
For Authority for Domestic Transfer of Control	)
Through the Sale of Assets, Including	)
Customers, from Advanced TelCom, Inc. and	)
Shared Communications Services, Inc.	)
To GE Business Productivity Solutions, Inc.	)

### **SECTION 63.03 APPLICATION**

Advanced TelCom, Inc. ("ATG"), Shared Communications Services, Inc. ("SCS"), and GE Business Productivity Solutions, Inc. ("GEBPS", and together with ATG and SCS, "Applicants"), by their undersigned attorneys and pursuant to Section 214(a) of the Communications Act of 1934, as amended (the "Act"), 47 U.S.C. § 214, and new Sections 63.03 and 63.04 of the Commission's Rules, 47 C.F.R. §§ 63.03 and 63.04, hereby respectfully request authority for the domestic transfer of control through the sale of certain telecommunications assets, including customers, from ATG and SCS to GEBPS in the geographic areas listed below.<sup>1</sup>

Under the Commission's new streamlined procedures for domestic transfer of control applications, sales of assets where no customers will lose service or have their service impaired as a result of the transaction are no longer subject to blanket authority, but rather now are treated as transfers of control that require Commission approval. See In the Matter of Implementation of Further Streamlining Measures for Domestic Section 214 Authorizations, Report and Order, CC Docket No. 01-150 (rel. March 21, 2002).

This transaction arose out of ATG's and SCS's Chapter 11 consolidated bankruptcy proceeding that compels the transfer certain of their telecommunications assets, including customers, to GEBPS.<sup>2</sup> Thus, the Applicants are filing this Application to "transfer control of lines" as domestic carriers operating under Section 214 of the Act. The notice mailed to customers regarding the intended transfer of their service provider is dated August 23, 2002, a copy of which is appended hereto as *Exhibit A*. The Applicants provide the following information pursuant to Section 63.04(a) of the Commission's Rules:

# 1. Name, address and telephone number of each applicant:

GE Business Productivity Solutions, Inc. 6540 Powers Ferry Road Atlanta, Georgia 30339 (770) 644-7700

ADVANCED TELCOM, INC. and SHARED COMMUNICATIONS SERVICES, INC. 19 Old Courthouse Square Santa Rosa, California 95404 (707) 284-5000

# 2. Government, state or territory under the laws of which each corporate or partnership applicant is organized:

GEBPS is a company organized under the laws of Georgia. Advanced TelCom, Inc. is a company organized under the laws of Delaware. Shared Communications Services, Inc. is a company organized under the laws of Oregon, and is a wholly owned subsidiary of Advanced TelCom, Inc.

See Orders dated June 21, 2002 of the United States Bankruptcy Court for the Northern District of California in certain consolidated Chapter 11 reorganization proceedings (Case No. 02-11073) under Title 11, United States Code, 11 U.S.C. §§101 et seq. in re: Debtors and Debtors-in-Possession (each individually, a "Debtor" and, collectively, the "Debtors") (A) Advanced TelCom Group, Inc., a Delaware corporation, (B) Advanced TelCom, Inc., a Delaware corporation, and (C) Shared Communications Services, Inc., an Oregon corporation.

3. Name, title, post office address, and telephone number of the officer or contact point, such as legal counsel, to whom correspondence concerning this application is to be addressed:

Correspondence concerning this Application should be sent to:

Melissa Conway, Esq.

KELLEY DRYE & WARREN LLP

1200 19<sup>th</sup> Street, N.W., Suite 500

Washington, DC 20036
(202) 955-9667 (Tel.)
(202) 955-9792 (Fax)

Richard H. Levin, Esq.

3554 Round Barn Blvd., Suite 303

Santa Rosa, CA 95403
(707) 523-4223 (Tel.)
(707) 788-3507 (Fax)

Attorney for GEBPS Attorney for ATG and SCS

## With copies to:

Meredith H. Gifford
Assistant VP – Regulatory Affairs
GEBPS
GEBPS
ATG and SCS
6540 Powers Ferry Road
Atlanta, Georgia 30339
Atlanta, Georgia 30339
Santa Rosa, CA 95404
(770) 644-7774 (Tel.)
(770) 644-7752 (Fax)
(707) 284-5001 (Fax)

4. Name, address, citizenship and principal business of any person or entity that directly or indirectly owns at least 10% of the equity of the applicant, and the percentage of equity owned by each of those entities (to the nearest 1 percent):

GEBPS is a wholly owned subsidiary of General Electric Capital Corporation ("GECC"), which in turn is a wholly owned subsidiary of General Electric Capital Services, Inc. ("GECS"), which in turn is a wholly owned subsidiary of General Electric Company ("GE"). GECCS is a Delaware corporation located at 260 Long Ridge Road, Stamford, CT 06929. GECS is also a Delaware corporation, located at the same address. GECS is a holding company. GECCS is a diversified company with five key operating segments: consumer financial services, equipment management services, commercial and vendor financial services, specialized financing services and specialty insurance. GE, a widely held public corporation incorporated in New York, is one of the largest and most diversified industrial corporations in the world. GE's principal office is located at 3135 Easton Turnpike, Fairfield, CT 06431.

5. Certification pursuant to 47 C.F.R. sections 1.2001 through 1.2003 that no party to the application is subject to denial of Federal benefits pursuant to section 5301 of the Anti-Drug Abuse Act of 1988. See 21 U.S.C. § 853.

As evidenced by the signatures to this Application, the Applicants certify that no party to this Application is subject to denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988.

# 6. A description of the transaction:

On May 2, 2002, ATG and SCS announced that they had filed for bankruptcy law protection under Chapter 11 of the United States Bankruptcy Code in the U.S. Bankruptcy Court for the Northern District of California, Santa Rosa Division ("Bankruptcy Court"). ATG and SCS chose to auction their assets, and on June 21, 2002, the Bankruptcy Court approved the sale to GEBPS of certain assets of ATG and SCS, pursuant to the Bankruptcy Code and subject to the terms and conditions of an Asset Purchase Agreement and certain other agreements ("Transaction"). The ATG assets which are the subject of the Transaction include plant, property interests, current accounts, customer accounts, and books and records located in California (not including the ATG customers and assets in Marin, Napa, and Contra Costa counties, which have been sold to another entity), Nevada, Oregon and Washington, where ATG is authorized to provide facilities-based and resold local exchange and interexchange telecommunications services, and currently provide such services to over 30,000 customers. The SCS assets include long distance resale customers located in the following states where SCS is authorized to provide long distance resale services: Arizona, Colorado, District of Columbia, Delaware, Florida, Idaho, Illinois, Indiana, Kentucky, Minnesota, Missouri, Montana, North Carolina, New Jersey, Ohio, Oklahoma, Pennsylvania, South Carolina, Texas, Utah, and Wisconsin. The SCS assets also include shared tenant services customers in Oregon and Washington, and Centrex station line resale customers in Oregon, Washington, and Nevada. The closing of the asset sale requires, among other things, that the parties obtain all necessary state and federal regulatory approvals.

To ensure continuity of service to the current customers of ATG and SCS, a Management Agreement requires that GEBPS provide management services to ATG and SCS, and provide certain funding for their continued telecommunications operations pending the necessary state and federal regulatory approvals. At such time as the necessary regulatory approvals are obtained, ATG's certain assets and customers and SCS's customers in the above-referenced states will be transferred to GEBPS, except to the extent that they designate a different carrier.

Following completion of the Transaction, GEBPS will provide substantially the same telecommunications services to former customers of ATG and SCS. GEBPS initially will continue to provide to the customers of ATG and SCS the same service arrangements, at the same rates, and pursuant to substantially the same terms and

conditions, as those currently offered. Thus, the change in service provider will be virtually transparent to the current customers of ATG and SCS. To ensure a seamless transition, to avoid customer confusion or inconvenience, and to comply with the Commission's Rules, the Applicants have provided written notification to the affected customers of ATG and SCS which detailed the proposed change in service provider in accordance with the Commission's Rules for changing a customer's presubscribed carrier. A copy of this notification is appended hereto as *Exhibit A*.

7. A description of the geographic areas in which the transferor and the transferee (and their affiliates) offer domestic telecommunications services, and what services are provided in each area:

GEBPS currently is authorized and is providing resold long distance telecommunications services to business and residential customers in every state in the United States, except Alaska. These long distance services include voice and data services. In addition, GEBPS provides local services in Massachusetts and Connecticut.

ATG currently is authorized to provide facilities-based and resold local exchange and long distance telecommunications services throughout the United States, and is providing a full range of local telephone service, voice mail and long distance services to business customers, home based businesses and telecommuters in California, Nevada, Oregon and Washington. ATG also provides Internet and data services, including high-speed DSL technology and other enhanced data services. SCS provides local exchange and long distance services in Nevada, Oregon and Washington, and long distance resale services in California and the 21 additional states listed above.

The geographic areas relevant to the instant Application are ATG assets and customers located in California, Nevada, Oregon and Washington. As noted above, the relevant ATG areas in California do not include the ATG customers and assets in Marin, Napa, and Contra Costa counties, which have been sold to another entity. GEBPS is requesting the appropriate authority from the state commissions in these states to acquire the assets and customers of ATG and use the existing facilities of ATG to provide services to these customers. The geographic areas relevant to SCS are Nevada, Oregon, Washington, California and the 21 additional states listed above where SCS has long distance resale customers.

8. A statement as to how the application fits into one or more of the presumptive streamlined categories in section 63.03 or why it is otherwise appropriate for streamlined treatment:

The instant Application fits into the presumptive streamlined category in Section 63.03(b)(2)(i). After the proposed transaction, GEBPS will have a market share in the interstate, interexchange market of less than 10 percent, and GEBPS will be

providing competitive telephone exchange services only in geographic areas served by a dominant local exchange carrier that is not a party to the transaction. Further, none of the Applicants is dominant with respect to any service.

9. Identification of all other Commission applications related to the same transaction:

GEBPS also is filing a notification pursuant to Section 64.1120 of the Commission's Rules of the transfer of subscribers from ATG and SCS to GEBPS in order to comply with the rules governing carrier-to-carrier sales or transfers of subscriber bases.

10. <u>A statement of whether the applicants are requesting special consideration because</u> either party to the transaction is facing imminent business failure:

The Applicants understand that if this Application is deemed complete and is accorded streamlined treatment by the Commission, the Applicants may complete the transfer on the 31<sup>st</sup> day following issuance of the Public Notice. The Applicants do not request any further special consideration, if this Application can be completed in said period; however, if for any reason the Application could require a longer period, the Applicants would seek special consideration due to the insolvency of the transferors.

11. <u>Identification of any separately filed waiver requests being sought in conjunction with</u> the transaction:

Not applicable. No separately filed waiver requests are being sought in conjunction with the transaction.

12. A statement showing how grant of the application will serve the public interest, convenience and necessity, including any additional information that may be necessary to show the effect of the proposed transaction on competition in domestic markets:

The Applicants respectfully submit that grant of this application will serve the public interest. The Commission's grant will eliminate the threat of disruption of service to current ATG and SCS customers who could lose service due to the bankrupt status of their current provider. Moreover, the transfer of the assets and customer base will increase competition in the domestic telecommunications markets. Given the difficult times faced by competitive carriers, it is all the more important to preserve existing competitive facilities-based options and robust local competition.

The Applicants emphasize that, following the transfer of assets, the former customers of ATG and SCS will continue to receive service from an experienced and qualified carrier which will be consistent with the quality of service currently provided. Moreover, these customers have been sufficiently notified of the

# **EXHIBIT A**

**CUSTOMER NOTIFICATION LETTER** 



GE Business Productivity Solutions General Electric Capital Corporation 6540 Powers Ferry Road, Atlanta, GA 30339

### August 23, 2002

### IMPORTANT REGULATORY NOTICE REGARDING YOUR TELEPHONE SERVICE

#### Dear Customer:

We are writing to advise you that Advanced TelCom Group and Shared Communications Services, Inc. (collectively "ATG") are requesting regulatory approval to transfer your account and services to GE Business Productivity Solutions, Inc. ("GEBPS"). GEBPS is part of GE, one of the world's leading diversified technology, services, and manufacturing companies. GEBPS has been offering telecommunications services for nearly ten years, and we are pleased to have the opportunity to serve you. GEBPS plans to provide you with quality service that earns us your confidence.

This transfer will not affect your service. No action on your part is required to complete this transfer. Because GEBPS is acquiring the assets of ATG in your area, you will continue to use the same telephone numbers. No fees will be charged to you in connection with the transfer of your service.

There will be no change to your rates, charges, terms or conditions of service resulting from the transfer of your service to GEBPS. In the event any changes are required in the future, GEBPS will provide you with notice as required by law. The transfer will occur when the necessary regulatory approvals are obtained, which may be as soon as thirty (30) days after the date of this letter. If you have placed a "freeze" on your services to prevent their unauthorized transfer to another carrier, the freeze will not prevent the transfer of your account to GEBPS and the freeze will remain in place after the transfer for your protection. We recognize that you have a choice of telecommunications carriers, and that you may choose another carrier at any time. We hope that you will not choose that option. If you are purchasing services under a term contract with either Advanced TelCom Group or Shared Communications Services, Inc., you will be responsible for any applicable early contract termination charges if you choose to transfer service to another service provider.

If you have any questions about this process, please call toll-free at 1-877-230-6538. Issues or complaints, if any, that you may have with either Advanced TelCom Group or Shared Communications Services, Inc. will continue to be handled by ATG at 1-877-230-6538. If you have general questions about GEBPS, please call us at 1-800-775-4322.

GEBPS is committed to providing its customers with reliable, high quality, cost-effective communication services. We look forward to serving you.

Best regards,

Advanced TelCom Group Shared Communications Services, Inc.

GE Business Productivity Solutions